

# THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1552.  
FILED, JUNE 1st. 1967.

*file*  
**TOWERS MARTS AND PROPERTIES LIMITED**

Full corporate name of Company

Incorporated under the Laws of Ontario by Letters Patent dated July 21, 1961

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957).

## FILING STATEMENT

Reference is made to previous  
Filing Statement No. 1375.

(To be filed with respect to any material change in a company's affairs, including among other things,  
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

- A. Towers Marts and Properties Limited (the "Company") has completed arrangements with The Oshawa Wholesale Limited ("Oshawa") and Allied Towers Merchants Limited ("A.T.M.") which have resulted, inter alia, in:
- (i) the exchange of Voting Trust Certificates representing 503,750 common shares without par value in the capital of A.T.M. for 29,632 Class A non-voting shares in the capital of Oshawa;
  - (ii) the cancellation of the Company's indebtedness to Oshawa of approximately \$450,000 in consideration of the transfer to Oshawa of 50,000 preference shares in the capital of A.T.M.;
  - (iii) the payment by the Company of its debenture indebtedness in the amount of approximately \$62,000 to Oshawa and one William L. Atkinson;
  - (iv) the release by Oshawa and the said William L. Atkinson of their option to purchase common shares of A.T.M. from the Company;
  - (v) a cash payment to the Company of approximately \$700,000 for its right to receive (a) 7- $\frac{1}{2}$ % of the consolidated net profits before taxes of A.T.M. and its subsidiaries to December 31, 1975 and (b) \$50,000 in each of the years 1974 and 1975; and
  - (vi) the payment by the Company of \$150,000 in full settlement of its obligation in that amount to A.T.M.
- B. The Company has also made an offer to purchase at 25% of the principal amount thereof the approximately \$1,532,000 of Instalment Notes which it issued pursuant to its said Proposal. The offer, which was conditional upon completion of the transactions with Oshawa referred to in Section A hereof, was accepted by noteholders holding approximately \$955,700 of Instalment Notes.

2. Head office address and any other office address.

15 Wellington Street West, Toronto 1, Ontario



3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

#### OFFICERS

<u>Name and Address</u>	<u>Office</u>	<u>Chief Occupation for past 5 years</u>
Maxwell Goldhar 124 Old Forest Hill Road Toronto, Ontario	President	Executive
Samuel Gotfrid, Q.C. 163 Old Forest Hill Road Toronto, Ontario	Secretary- Treasurer	Solicitor

#### DIRECTORS

<u>Name</u>	<u>Address</u>	<u>Chief Occupation for past 5 years</u>
C. Roger Archibald Q.C.	45 Highland Ave. Toronto, Ontario	Solicitor
Michael Buzak	256 Colborne St. Brantford, Ont.	Executive
Charles E. Dalrymple	33 Brookdale Rd. Brockport, N.Y.	Executive
John W. Gabel	43 Winding Road Pittsford, N.Y.	Executive
Maxwell Goldhar	124 Old Forest Hill Road Toronto, Ont.	Executive
Samuel Gotfrid, Q.C.	163 Old Forest Hill Road Toronto, Ont.	Solicitor
James Renwick, Q.C.	20 St. Dennis Drive Toronto, Ont.	Solicitor
Stephen Waite	31 Exchange St. Rochester, N.Y.	Solicitor
Raphael D. Wolfe	89 Bay Ridge Crescent Willowdale, Ont.	Executive

Since the last Filing Statement of the Company the following changes have taken place in the directors of the Company:

- (i) Mr. Joseph Hockenos resigned as a director on March 9, 1967 and was replaced on that date by Mr. Charles E. Dalrymple; and
- (ii) On April 27, 1967 Mr. Marshall H. Jones was not re-elected to the Board. Mr. John W. Gabel was elected a director.

4. Share capitalization showing authorized and issued and outstanding capital.

The authorized capital consists of 3,750,000 shares without par value of which 3,015,760 shares were issued and outstanding as at May 8, 1967.

5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.

Mortgages on Taschereau Blvd. Property  
Principal amount at 5/31/67 \$580,000  
Interest 9%

Principal amount at 5/31/67 \$167,000  
Interest 6%

Mortgage on Chateauguay Property  
Principal amount at 5/31/67 \$519,000  
Interest 8%

Instalment Notes Approx. \$580,000



<p>6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.</p>	<p>1) Pursuant to an agreement made as of January 22, 1966 between the Company and Lincoln Rochester Trust Company, the Company has granted to Lincoln Rochester Trust an option to purchase up to 500,000 shares in the capital of the Company at \$2.00 per share exercisable any time up to July 31, 1968;</p> <p>2) Approximately 3,000 shares of the Company have been received and set aside for issue to certain unsecured creditors of the Company whose claims were proved under the said Proposal but who have not yet given delivery instructions with respect to such shares.</p>
<p>7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.</p>	<p>Lincoln Rochester Trust Company, Rochester, New York State, U.S.A.</p>
<p>8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.</p>	<p>For services rendered in connection with the negotiations between the Company and Oshawa, the Company has paid First Canada Financial Corporation Limited \$12,500. The President of the Company is a major shareholder and officer of First Canada Financial Corporation Limited.</p>
<p>9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.</p>	<p>It is expected that the Company will operate as a holding company.</p>
<p>10. Brief statement of company's chief development work during past year.</p>	<p>None</p>
<p>11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.</p>	<p>Not applicable</p>
<p>12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.</p>	<p>Not applicable</p>



13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	2,000,000 shares in the capital of the Company are held in escrow and may not, so long as shares of the Company are listed on the Toronto Stock Exchange, be released or transferred without the express consent of the said Exchange. Reference is also made to paragraph 16 hereof.		
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	National Trust Company, Limited, Trustee under a Voting Trust Agreement, c/o Corporate Trust Department, 21 King Street East, Toronto, Ontario is the registered holder of 1,750,000 shares and Lake & Co., c/o Bank of Montreal, King and Bay Streets, Toronto, Ontario is the registered holder of 250,000 shares. The Company understands that all of the 2,000,000 referred to above are held for Lincoln Rochester Trust Company.		
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<u>Names</u>	<u>Addresses</u>	<u>Shareholdings</u>
	National Trust Company, Ltd., Trustee under a Voting Trust Agreement	c/o Corporate Trust Dept. 21 King St. E. Toronto, Ont.	1,750,000 (escrowed)
	Lake & Co.	c/o Bank of Montreal King & Bay Sts. Toronto, Ont.	250,000 (escrowed)
	The Wyoming National Bank of Wilkes-Barre	21 W. Market St. Wilkes-Barre, Penn. 18701, U.S.A.	115,037
	Nesbitt, Thomson & Co.	355 St. James St. West Montreal, Que.	68,513
	E.T. Lynch & Co.	55 Yonge St. Toronto, Ont.	57,100
	The 1,750,000 shares registered in the name of National Trust Company, Limited and the 250,000 shares registered in the name of Lake & Co. are held by the registered holders as nominees of Lincoln Rochester Trust Company. Nesbitt, Thomson & Co. and E. T. Lynch & Co. have advised the Company that they do not beneficially own the shares registered in their respective names and the Company does not know who are the beneficial owners of such shares.		
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	As stated above, the 1,750,000 shares registered in the name of National Trust Company, Limited and the 250,000 shares registered in the name of Lake & Co. are held for the benefit of Lincoln Rochester Trust Company, and their shareholdings are large enough to materially affect control of the Company. Pursuant to the provisions of the Proposal, more particularly described in Schedule A of Filing Statement No. 989, Lincoln Rochester Trust Company has entered into a Voting Trust Agreement under which, until the Instalment Notes issued by the Company under its Proposal are paid, the said 1,750,000 shares are to be voted for the election of a majority of the directors of the Company as directed by the Creditors' Committee elected under the Proposal.		
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	(i) The Company owns 29,632 Class A non-voting shares of Oshawa, the present market value of which is \$1,100,000.  (ii) The Company also owns or controls a number of subsidiary companies which have no known assets and steps are being taken to terminate the corporate existence of such subsidiaries.		



# FINANCIAL STATEMENTS

TOWERS MARTS AND PROPERTIES LIMITED  
(Incorporated under the laws of Ontario)

## BALANCE SHEET

MARCH 31, 1967

### ASSETS

Cash

Investment in, and amounts due from,  
Allied Towers Merchants Ltd:  
Accounts receivable -  
Current  
Instalment account

Shares at cost -

50,000 6% preference shares  
503,750 common shares

Leased properties (note 3):

Shopping centres - lands and buildings  
Furniture and fixtures

### LIABILITIES

Accounts payable

Secured creditors:

Mortgages payable (secured by shopping centres  
and assignment of accounts receivable)  
Loans payable

Deferred claims

Payable at the rate of \$3,000 per month,  
including interest @ 6%  
3% notes payable (note 1)  
Provision for unsecured claims  
Accrued interest on 3% notes issued as provided for

Total liabilities

Deficiency in shareholders' equity:

Deficit  
Less share capital

Authorized:

3,750,000 shares of no par value

Issued:

3,015,760 shares

\$2,711,200

\$ 28,000

1,287,445  
573,467  
1,888,912

129,597  
1,537,806  
55,791  
161,477

3,773,583

4,324,223

3,261,840  
1,062,383

\$2,711,200

ON BEHALF OF THE BOARD:

Director

Director

(See accompanying notes)

TOWERS MARTS AND PROPERTIES LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1967

- 1.(a) The Proposal made by the company to its creditors on July 8, 1963 under the Provisions of the Bankruptcy Act which was accepted by the creditors and approved by the Court, was implemented in 1966. Notes amounting to \$1,537,806 were issued under the terms of the Proposal, and these notes bear interest at 3% per annum, increasing to 6% in 1970 and mature in 1970 - 1979. \$11,715 of these claims remain outstanding pending receipt of information by the Trustee with respect to registration of shares and notes and are included in provision for unsecured claims on the balance sheet. The remainder of the "provision for unsecured claims" represent the excess of the liability for unsecured creditors provided in 1963 over the claims allowed by the Trustee to March 31, 1967.
- (b) Under the terms of the Proposal referred to above the company has granted an option to Lincoln Rochester Trust Company on 500,000 of its common shares at \$2 per share exercisable on or before July 31, 1968.
2. The accounts of the company's wholly owned subsidiaries, Towers Metropolitan Company Limited, Bendonald Properties Limited, Vaber Investments Limited, Towers Greenfield Limited and Rectory Investments Limited have not been included in the accompanying balance sheet. These subsidiaries are not believed to have any assets of significant value nor any liabilities for which the company could be held liable. The company's investment in these subsidiaries has been written off and steps are being taken to surrender their charters.
3. The company transferred its interest in the operation of shopping centres to Allied Towers Merchants Limited as of May 1, 1963. Ten of these shopping centres on which the company has long term leasing commitments requiring payments in total of approximately \$190,000 per month are sub-leased to Allied Towers Merchants Limited for the same monthly rentals. Under the sub-leasing and other agreements Towers Marts and Properties Limited is to receive  $7\frac{1}{2}\%$  of the consolidated net profits before tax of Allied Towers Merchants Limited and a rental rebate of \$50,000 annually until December 31, 1975. In each of the years 1967 to 1975 inclusive, Towers Marts and Properties Limited is to refund to Allied Towers Merchants Limited, 50% of the amount by which its percentage share of consolidated profits exceeds \$50,000 up to a maximum total refund of \$155,000.  
  
In addition 50% of the amount by which the company's percentage share of the consolidated net profit of Allied Towers Merchants Limited exceeds \$50,000 shall be used to repay the 6% debentures.  
  
The two shopping centres owned by the company together with certain fixtures contained therein have been leased to Allied Towers Merchants Limited for a twelve year period from May 1, 1963 at an annual rental of approximately \$260,000. The lessee has the option to purchase either or both of the shopping centres and the fixtures at any time



during the term of the leases at the present value of the future lease payments. These shopping centres and fixtures are reflected on the accompanying balance sheet at the option prices at March 31, 1967 and the amortization thereof in the period has been applied against lease income in the statement of income and expense and deficit.

4. The company's investment in common and preference shares of Allied Towers Merchants Limited is carried at cost. The market value of the preference shares at March 31, 1967 was approximately \$450,000. However the common shares investment, which is represented by voting trust certificates, had no quoted market value.
5. At March 31, 1967 the preference and common shares of Allied Towers Merchants Limited owned by the company were pledged against secured indebtedness. The common shares are subject to a voting trust agreement; an option has been granted on 125,000 of the common shares at \$3.50 per share exercisable to September 30, 1970.
6. Claims in addition to those provided for in the balance sheet amounting to approximately \$6,030,000 have been filed under the Proposal referred to in note 1 above. These claims are based on the company's alleged guarantee of certain obligations of its former parent company, Towers Marts International Inc. They have been disallowed by the Trustee and are being contested in the Court by the Trustee on behalf of the company.
7. Subsequent to March 31, 1967 the company has received approximately \$545,000 net from Allied Towers Merchants Limited by way of prepayment of certain of that company's obligations under the lease arrangements referred to in note 3. The company has also exchanged its common shares of Allied Towers Merchants Limited for Class A shares of The Oshawa Wholesale Limited. In addition the loans payable by the company were settled by a cash payment together with the company's preference share interest in Allied Towers Merchants Limited.

The company also made a Proposal to the noteholders to purchase for cancellation at 25% of the principal amount any notes which were offered for cancellation. \$955,000 of the notes were submitted under the offer and these were purchased for \$238,000.

TOWERS MARTS AND PROPERTIES LIMITED

STATEMENT OF INCOME AND EXPENSE AND DEFICIT

FOR THE PERIOD ENDING MARCH 31, 1967

Lease rentals and payments received under sub-leasing agreements	249,356	
Less amortization of leased properties	<u>72,593</u>	
Net lease income		\$ 176,763
Expenses:		
Interest on secured obligations	74,502	
Interest on deferred claims	28,182	
General expenses	<u>15,424</u>	<u>118,108</u>
Net profit for the period		58,655
Deficit September 30, 1966		<u>4,382,878</u>
Deficit March 31, 1967		<u>\$4,324,223</u>

(See accompanying notes)

TOWERS MARTS AND PROPERTIES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF CASH

FOR THE EIGHT MONTHS ENDED MAY 29, 1967

Factors which provided cash:

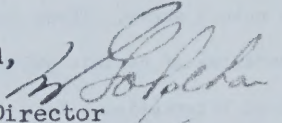
Lease receipts and payments received	\$ 299,356
Disposition of 50,000 preference shares of Allied Towers Merchants Limited	450,000
Prepayment by Allied Towers Merchants Limited of certain sub leasing obligations	542,000
	<u>\$1,291,356</u>

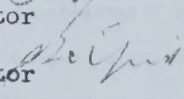
Factors which required cash:

Payments, including interest, on secured claims	\$ 755,262
Payments on instalment notes purchased for cancellation	238,926
Miscellaneous, including operating expenses	52,839
Payments including interest on claims of preferred creditors	24,000
	<u>\$1,071,027</u>

Increase in cash during period \$ 220,329

On behalf of the board,

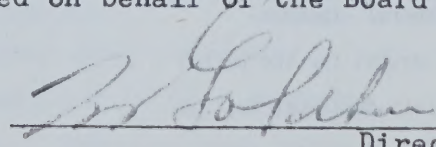
  
Director

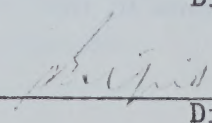
  
Director

There have been no material changes in the items on the Balance Sheet dated March 31, 1967 since the date thereof except those set out in the pro forma balance sheet as at May 31, 1967 and in the notes thereto.

DATED at Toronto this 29<sup>th</sup> day of May, 1967.

Signed on behalf of the Board

  
Director

  
Director



BALANCE SHEET

PRO FORMA AS AT MAY 31, 1967

A S S E T S

Cash  
Short term deposits  
  
Accounts receivable - Allied Towers Merchants Ltd.:  
Current  
Instalment account  
  
Investment in The Oshawa Wholesale Limited -  
common shares (approximate market value \$1,100,000)  
  
Leased properties:  
Shopping centres - lands and buildings  
Furniture and fixtures

L I A B I L I T I E S

\$ 40,000	Accounts payable	\$ 50,000
200,000		
<u>240,000</u>		
26,000	Secured creditors:	
26,000	Mortgages payable (secured by shopping centres	
<u>52,000</u>	and assignment of accounts receivable)	1,269,000
	Deferred claims:	
	Payable at the rate of \$3,000 per month, including	
	interest @ 6%	125,000
520,000	3% notes payable	562,000
	Provision for unsecured claims	56,000
	Accrued interest on 3% notes issued as provided for	<u>64,000</u>
1,497,000	Total liabilities	827,000
<u>37,000</u>		
<u>1,534,000</u>		

Shareholders' equity:

Share capital -  
Authorized:  
3,750,000 shares of no par value  
Issued:  
3,015,760 shares  
Less deficit

3,260,000
<u>3,060,000</u>
<u>200,000</u>
\$2,346,000

ON BEHALF OF THE BOARD:

Director

Director

Notes:

1. The above pro forma balance sheet is drawn up to give effect to the following:

The financial position of the company after (i) exchanging its common shares of Allied Towers Merchants Limited for 29,632 shares of Oshawa Wholesale Limited, (ii) transferring its preference shares of Allied Towers Merchants to Oshawa Wholesale to extinguish the present indebtedness of \$450,000 (iii) receiving \$542,000 from Allied Towers Merchants in settlement of the 7 $\frac{1}{2}$ % interest of Towers Marts and Properties in the consolidated net profit before tax and the obligation of \$100,000 due by 1975 (iv) payment of \$238,926.23 to instalment noteholders totalling \$955,700 who accepted the company's offer to purchase for cancellation the notes at the rate of 25% of the principal value of the note.

2. Claims in addition to those provided for in the pro forma balance sheet amounting to approximately \$6,030,000 have been filed under the Proposal. The claims have been disallowed by the Trustee and are being contested in the courts. Any claim proved under this action, would rank under the Proposal and receive shares at \$2.00 per share as to 50% of the claims and notes for the balance of the claims.

3. The company has long-term leasing commitments requiring payments in total of approximately \$190,000 per month and has sub-leased these shopping centres to Allied Towers Merchants for the same monthly rent after giving effect to the transactions outlined in (1) above.

Two shopping centres owned by the company, together with certain fixtures contained therein have been leased to Allied Towers Merchants for a 12 year period from May 1, 1963 at an annual rental of approximately \$260,000. The lessee has the option to purchase either or both of the shopping centres and the fixtures at any time during the term of the leases at the present value of the future lease payments. The shopping centres and fixtures are reflected on the accompanying pro forma balance sheet at the option prices at March 31, 1967.

4. The investment in shares is carried on the pro forma balance sheet at the company's original cost of acquiring the shares. The common shares of Allied Towers Merchants are subject to a voting trust agreement. Both the common and preferred shares of Allied Towers Merchants Limited are pledged as collateral security for loans and the mortgage indebtedness to the bank, and the Oshawa Wholesale shares will continue to be pledged as collateral security to bank after completion of the transaction set out in note 1 above.

5. The company will continue to receive as a part of its leasing arrangement, rental rebates of approximately \$50,000 per annum up to December 31, 1973.

6. The company's interest in the leased properties, land and buildings, together with the mortgages of \$1,287,000 has been arranged to provide the company with a small cash surplus at December 31, 1975 when the company expects the lessee to exercise its option and when the company in turn intends to pay off the remaining balance of the mortgages.



18. Brief statement of any lawsuits pending or in process against company or its properties.	The Trustee under the Company's Proposal disallowed claims amounting to approximately \$6,030,000 filed by three unsecured creditors. The disallowance was disputed by such creditors and the claims are presently the subject of litigation in the Supreme Court of Ontario. In the event of any judgments against the Trustee in these actions, the Company will be obliged to issue notes and shares to such creditor creditors to the amount of such judgments on the basis provided for in the said Proposal.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	<p>The Company has entered into the following agreements:</p> <ol style="list-style-type: none"> <li>1. Between Department Store Holdings, Allied Towers Merchants Limited ("Allied") and the Company dated October 23, 1963, as amended;</li> <li>2. Between Rex Realty Limited, Octavius Investments Limited, Andorra Construction Limited and 660 St. Catherine Street West Limited and Allied and the Company dated October 23, 1963, as amended;</li> <li>3. Between Allied and the Company dated November 11, 1963, as amended;</li> <li>4. An option agreement between the Company and Lincoln Rochester Trust Company dated January 22, 1966; and</li> <li>5. A Voting Trust Agreement between Lincoln Rochester Trust Company, National Trust Company, Limited and the Company dated January 22, 1966, as amended.</li> </ol>
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	As indicated in paragraph 6 hereof, the Company is obliged to issue approximately 3,000 shares to certain unsecured creditors whose claims had been allowed under the Proposal and who have not yet given proper delivery instructions. There are no other material facts and no shares of the Company are in the course of primary distribution to the public.

# **CERTIFICATE OF THE COMPANY**

DATED Aug 14/67

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"M. Goldhar"

CORPORATE  
SEAL

"S. Gotfrid"

## **CERTIFICATE OF UNDERWRITER OR OPTIONEE**

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)